

*Annual Report*

MAY 8 1962

# GRANDROY MINES LIMITED



FOR THE YEAR ENDED DECEMBER 31, 1961



# GRANDROY MINES LIMITED

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## AUTHORIZED CAPITALIZATION

5,000,000 shares of no par value not to exceed \$5,000,000.00 in the aggregate.

## DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc.	- - - -	Toronto, Ontario
D. W. GORDON, F.C.I.S.	- - - -	Toronto, Ontario
DR. WILLIAM H. MURBY	- - - -	Toronto, Ontario
C. S. KENNEDY	- - - -	Toronto, Ontario
ROBERT J. ISAACS, B.A.Sc., P.Eng.	- - -	Toronto, Ontario

## OFFICERS

M. J. BOYLEN, D.C.L., D.Sc.	- - - - -	President
D. W. GORDON, F.C.I.S.	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - -	Assistant-Secretary

## HEAD OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

## TRANSFER AGENTS

GUARANTY TRUST COMPANY OF CANADA,  
366 Bay Street - - - - - Toronto 1, Ontario

## AUDITORS

LOFTUS A. ALLEN AND COMPANY  
Chartered Accountants - - - - - Toronto, Ontario

# GRANDROY MINES LIMITED

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## *Directors' Report*

### TO THE SHAREHOLDERS:

The Balance Sheet of your Company and its related financial statements covering the fiscal year ended December 31st, 1961, and the auditor's certificate relative thereto is presented for your consideration. A copy of the Balance Sheet of Jacquet River Mines Limited, your Company's wholly owned subsidiary, and its financial statements for the same period is included as a part of the Report.

The total Assets, as shown on the Company's Balance Sheet, reflect an increase in value of \$48,087.18 in comparison with such as shown in the previous Annual Report. The cost applicable to mining claims abandoned in prior years, amounting to \$10,578.08, was written-off and charged to Capital Deficit account. The Company sold 400,000 shares of its Capital Stock for the total amount of \$60,000.00, pursuant to an Underwriting and Option Agreement, and allotted and issued 100,000 shares as part consideration paid for the Eastmain Region, Duncan Lake area, Quebec mining claims acquired during the latter part of October, 1961.

A two-man prospecting team carried out a prospecting program on the North half of the Company's Roy Township, Quebec claims during the summer of 1961. A number of new sulphide occurrences carrying low copper values were located as well as some asbestos. The latter mineral was found to be too soft to be of commercial grade at the present time. In view of the sulphide findings, it was decided to carry out a detailed electromagnetic survey of this North half of the property in the hope of finding a concentration of the sulphides. Your Company acquired by outright purchase an additional group of five (5) claims adjoining the original group situated on the North. The survey was carried out during the autumn and the resulting anomalies tested by diamond drilling during the fall and early winter; values found in this work were below ore grade.

During the latter part of October 1961, a group of twenty-four (24) mining claims adjoining the Duncan Lake, New Quebec base metal discovery of Canadian Dyno Limited were acquired. No exploration work has yet been carried out on this group of claims but a geological-geophysical ground survey is being considered for the 1962 field season.

JACQUET RIVER MINES LIMITED:

Your Company acquired all the issued and outstanding shares of the capital stock of Jacquet River Mines Limited, and the right of control over the allotment and issue of any additional Shares of that Company pursuant to an Agreement dated November 8th, 1957. Since date of such acquisition and right of control, your Company has advanced its subsidiary the total amount of \$68,525.00 for the purposes of developing, maintaining and administering its mining properties and affairs.

Jacquet River Mines Limited continues to hold in good standing its mining license, comprising an area of approximately 1,090 acres situated in close proximity to the No. 12 orebody of Brunswick Mining and Smelting Corporation Limited in the Province of New Brunswick. No exploration or development work was carried out by the Company during 1961.

On Behalf of the Board of Directors,

M. J. BOYLEN,  
President.

DATED at Toronto, Ontario  
this 18th day of April, 1962.

# GRANDROY M

(Incorporated under the law of the Province of Ontario)

## Balance Sheet as at December 31, 1961

### ASSETS

Cash in bank .....		\$ 63,785.01
Marketable securities — at cost .....		252,820.00
(quoted market value \$82,265.75)		
Demand note receivable — 6% .....		15,000.00
Sundry receivables .....		1,879.24
Investment in wholly owned subsidiary — (Note 1)		
Shares — at cost .....	\$250,000.00	
Advances .....	68,525.00	318,525.00
		<hr/>
Mining claims held under development licenses and miners' certificates — at cost (Note 2) .....		75,000.00
Prospecting equipment — at cost .....	\$ 862.37	
Mobilehomes — at cost .....	5,700.00	6,562.37
		<hr/>
Deferred development and administrative expenditures — per statement .....		260,274.12
		<hr/>
		<u>\$993,845.74</u>

### AUDITORS' REPORT

We have examined the balance sheet of GRANDROY MINES LIMITED and the statement of deficit for the year ended on that date. Our examination included a general review of the other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of deficit of the Company as at December 31, 1961 and the results of its operations for the year ended on a basis consistent with that of the preceding year.

Toronto, Ontario,  
April 3, 1962.

# NES LIMITED

f the Province of Ontario)

December 31, 1961

## LIABILITIES AND CAPITAL

Accounts payable and accrued liabilities .....	\$ 2,392.76
Capital Stock (Note 3)	

Authorized

5,000,000 shares of no par value

Issued and Fully Paid (Note 4)

3,400,005 shares of no par value .....	\$ 1,393,755.25
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Capital Deficit — per statement .....	402,302.27	991,452.98
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\$993,845.74

Approved on behalf of the Board:

M. J. BOYLEN, Director.

R. J. ISAACS, Director.

The accompanying notes form an integral part of these financial statements.

## THE SHAREHOLDERS

December 31, 1961 and the statements of deferred expenditures and capital  
w of the accounting procedures and such tests of the accounting records and

expenditures and capital deficit present fairly the financial position of the  
ed on that date, in accordance with generally accepted accounting principles

LOFTUS A. ALLEN & CO.,  
Chartered Accountants.

# GRANDROY MINES LIMITED

## *Notes to Financial Statements*

AS AT DECEMBER 31, 1961

- 1) The accounts of Grandroy Mines Limited and its wholly owned subsidiary, Jacquet River Mines Limited, have not been consolidated as neither Company is in production. The investment in the subsidiary is shown at cost and no adjustment has been made in the accounts of Grandroy Mines Limited for the losses of the subsidiary since the date of acquisition to December 31, 1961. The analysis of the deficit of the subsidiary for this period is as follows:

Surplus as at date of acquisition .....	\$182,596.95
Written off	
Mining claims abandoned .....	\$152,574.49
Development expenses thereon .....	34,279.18
Loss on sale of investments .....	37,238.35
Incorporation expense .....	3,885.00
	<u>227,977.02</u>
Deficit as at December 31, 1961 .....	<u>\$ 45,380.07</u>

- 2) During the year, the Company acquired the following claims:

5 Unpatented mining claims held under development license, Township of Roy, Province of Quebec, for cash .....	\$ 2,500.00
24 Unpatented mining claims held under miner certificates, Eastmain Region, Province of Quebec, for \$7,500.00 cash and 100,000 shares of the capital stock of the Company at 10¢ each .....	17,500.00
	<u>\$ 20,000.00</u>

- 3) On October 18, 1961 the Company entered into an underwriting agreement for the sale of 200,000 shares of the Company's capital stock at 15¢ per share and options on a further 800,000 shares as follows:

- (a) 200,000 shares at 15¢ per share 90 days from October 26, 1961
- (b) 200,000 shares at 20¢ per share 180 days from October 26, 1961
- (c) 200,000 shares at 25¢ per share 270 days from October 26, 1961
- (d) 200,000 shares at 30¢ per share 360 days from October 26, 1961

As at December 31, 1961 options (b), (c) and (d) were outstanding.

- 4) During the year, the Company issued the following shares of capital stock:

100,000 shares for mining claims as described in Note 2 .....	\$ 10,000.00
400,000 shares for cash pursuant to the underwriting agreement in Note 3 .....	60,000.00
	<u>70,000.00</u>
<u>500,000</u>	<u>\$ 70,000.00</u>

# GRANDROY MINES LIMITED

## *Statement of Deferred Expenditures*

FOR THE YEAR ENDED DECEMBER 31, 1961

### DEVELOPMENT

Balance — December 31, 1960 .....	\$188,049.45		
Additions during the year			
Surface exploration .....	\$15,591.27		
Assays .....	171.37		
Diamond drilling .....	3,343.56		
Licenses and fees .....	680.00	19,786.20	
		<u>207,835.65</u>	
Deduct —			
Cost applicable to mining claims abandoned in prior years .....		10,578.08	\$197,257.57
			<u>197,257.57</u>

### ADMINISTRATIVE

Balance — December 31, 1960 .....	\$ 58,321.77		
Additions during the year			
Filing fees .....	\$ 445.00		
Legal and audit .....	675.00		
Transfer agents and registrar fees .....	994.98		
Reports to shareholders .....	547.79		
Listing and sustaining fees .....	200.00		
Head office administration .....	1,800.00		
Office, stationery and postage .....	540.67		
Security registration expense .....	250.00		
General expense .....	141.34		
	<u>5,594.78</u>		
Deduct —			
Interest accrued on note receivable .....	900.00	4,694.78	63,016.55
		<u>4,694.78</u>	<u>63,016.55</u>
			<u>\$260,274.12</u>

## *Statement of Capital Deficit*

FOR THE YEAR ENDED DECEMBER 31, 1961

BALANCE —			
December 31, 1960 .....			\$378,496.69
ADD —			
Exploration expenses written off on claims previously abandoned .....		10,578.08	
Loss on sale of investments .....		13,227.50	
BALANCE —			
December 31, 1961 .....			<u>\$402,302.27</u>

# JACQUET RIVER

(Incorporated under the laws of the Province of New Brunswick)

## Balance Sheet as at

### ASSETS

CURRENT:		\$	\$
Cash .....			6,407.51
INVESTMENTS:			
Shares of other mining companies having a quoted market value, at cost .....	8,871.50		
(Quoted market value \$7,734.00)			
Shares of other mining companies, at cost .....	8,095.60	16,967.10	
FIXED:			
In the Province of New Brunswick —			
1 mining license in the Parish of Bathurst, County of Gloucester, at cost .....		50,000.00	
DEFERRED EXPENDITURES:			
Mine development and administrative expenses			
Balance, January 1st, 1961 .....	36,843.02		
Add: Expenses for the year .....	954.30		
Balance, December 31st, 1961 .....		37,797.32	

NOTE: Jacquet River Mines Limited has agreed not to allot and issue, or cause to be allotted and issued, any shares of its capital stock whatsoever at any time, without the written approval and consent of Grandroy Mines Limited.

111,171.93

Approved on behalf of the Board of Directors:

M. J. BOYLEN, Director

G. L. MOORE, Director.

# MINES LIMITED

(Incorporated under the Laws of Ontario)

December 31st, 1961

## LIABILITIES

CURRENT:	\$	\$	\$
Accounts payable and accrued liabilities .....			520.00
ADVANCE FROM PARENT COMPANY:			
Grandroy Mines Limited .....			68,525.00

## SHAREHOLDERS' EQUITY

CAPITAL STOCK:			
Authorized:			
5,000,000 Shares of \$1.00 par value .....		<u>5,000,000.00</u>	
Issued:			
1,250,007 Shares .....	1,250,007.00		
Less: Discount thereon .....	<u>1,162,500.00</u>	87,507.00	
DEFICIT:			
Balance, January 1st, 1961 .....	41,657.57		
Add: Loss on sale of investments .....	<u>3,722.50</u>		
Balance, December 31st, 1961 .....		<u>45,380.07</u>	<u>42,126.93</u>
			<u>111,171.93</u>

To the Shareholders of  
JACQUET RIVER MINES LIMITED,  
Toronto, Ontario.

330 Bay Street,  
Toronto, Canada.

We have examined the Balance Sheet of Jacquet River Mines Limited as at December 31st, 1961 and the Statement of Mine Development and Administrative Expenses for the year ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above Balance Sheet and attached Statement of Mine Development and Administrative Expenses present fairly the financial position of the Company as at December 31st, 1961 and the results of its operations for the year ended on that date.

February 12th, 1962.

SNYDER, CRAIG & CO.,  
Chartered Accountants.

# JACQUET RIVER MINES LIMITED

## *Statement of Mine Development and Administrative Expenses*

FOR THE YEAR ENDED DECEMBER 31st, 1961

MINE DEVELOPMENT EXPENSES:	\$	\$
Mining licenses and fees .....		300.00
ADMINISTRATIVE EXPENSES:		
Bank charges .....	.30	
Corporation taxes .....	40.00	
Filing fees .....	55.00	
General expense .....	9.00	
Legal and audit .....	500.00	
Transfer agent and registrar fees .....	50.00	654.30
TOTAL .....		<u>954.30</u>